



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
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FILING FOR RETIREMENT / NEW RETIREE - QUESTIONS & ANSWERS

I'm planning to retire. How soon should I start the process to file my application for retirement?

We strongly recommend that you file your application for retirement at least four to six months prior to your retirement date.

What do I need to file?

You must file an *Application for Retirement Benefits*, along with a copy of your birth certificate. If you are electing Plan D, Co-Participant Option, you must also file a copy of your co-participant's birth certificate.

When do my benefits become effective?

All benefits become effective on the first day of the month following the month you terminated service and filed your complete Application for Retirement Benefits, provided you qualify for an immediate benefit. By law, the application must be received by CTRB by the last business day of the month or postmarked by the last day of the month preceding the effective date of your retirement.

I can't make up my mind whether I want to retire July 1st. What will happen if I file my application in July rather than on or before June 30th?

By law, your benefits will become effective on the first day of the following month, August 1st.

Will the benefits be retroactive to July 1st?

No. Because you filed in July rather than June, you will not receive a benefit payment for the month of July. In effect you have lost the benefit payment for July.

I have service to purchase. When should I start the process to document my additional credited service?

It is never too early to start this process. We strongly recommend that you start this process immediately, if you have not already done so.

I'm having an extremely difficult time trying to document my additional credited service. What's the deadline for providing CTRB with documentation of my service?

CTRB will accept documentation for up to 60 days following the effective date of your retirement. If proper documentation is not received during that time you will forfeit your right to purchase this service. Your retirement benefits will be initiated after the purchase of your additional credited service is complete.

If I want to change my retirement payment plan option or revoke/rescind my retirement allowance, when must I do so?

You may only change your retirement payment plan option (Plan N, C or D) or revoke or rescind your retirement allowance prior to the effective date of your retirement. This means that if you are retiring as of July 1st, you may make the change in your plan option or revoke/rescind your retirement allowance on or before June 30th. To change your plan option, a new form must be filed with the Connecticut Teachers' Retirement Board (CTRB) or post-marked prior to the effective date of your retirement. Your request to revoke/rescind your retirement allowance must be *made in writing* and *must be filed* with the Connecticut Teachers' Retirement Board (CTRB) or post-marked prior to the effective date of your retirement. CTRB will accept faxed requests. However, due to security reasons, e-mail requests are not accepted.

Does that also apply to my election to receive my 1% Supplemental Contributions or Voluntary contributions either as a lump sum or as an extra annuity?

Yes. You may change your election (lump sum or extra annuity) prior to the effective date of your retirement. No change is permitted after the effective date of your retirement.

Can I make separate elections for my 1% Supplemental Contributions or Voluntary contributions?

Yes. You may make separate elections whether to receive the funds either as an extra monthly annuity or as a lump sum.

Can I elect to have a portion of my 1% Supplemental Contributions or Voluntary contributions paid as a monthly annuity and to receive the remaining balance in a lump sum?

No. The entire balance of each account must be either paid as an extra monthly annuity or as a lump sum.

If I choose a lump sum how will this be paid?

You will receive a form from CTRB and you will have the option of having the funds paid directly to you as a lump sum or rolled over to another qualified plan. If you choose to have the funds paid directly to you, CTRB is required by federal law to withhold 20% federal tax on the taxable portion (interest and pre-tax contributions) of the distribution. If you choose a rollover, the taxable funds will be sent directly to the custodian of the plan you have selected to receive these funds. Any after tax contributions will be sent directly to you and are not taxable.

I've decided to use my 1% Supplemental Contributions/ Voluntary contributions to purchase additional credited service. What will happen to the remaining balances that I might have?

Any remaining balances that you may have will be paid to you directly as a lump sum or as a rollover.

Can I use the remaining 1% Supplemental Contributions or Voluntary balances to receive an extra annuity?

No. If you choose to use your 1% Supplemental Contributions or Voluntary contributions to purchase service, you do not have the option of receiving an extra monthly annuity on the remaining balance of your account.

I elected to use my 1% Supplemental Contributions/ Voluntary contributions to purchase additional service. I've changed my mind and now want to use my own personal funds to buy my service. Can I now send in a check so that I can elect to receive an extra monthly annuity?

The same rule applies. You may do so, provided payment is made prior to the effective date of your retirement.

I elected to use my 1% Supplemental Contributions/ Voluntary contributions and I also had to make a personal payment as well to complete the purchase of my additional service. Why did I receive a 1%/Voluntary Refund and Rollover Form?

When CTRB billed you for your service, we used the previous June 30th balances of your 1% Supplemental/ Voluntary Accounts to be applied to your service cost. Since CTRB does not know what rate of interest will be credited until June of the current year, you will have a balance remaining in your 1% Supplemental/Voluntary account as a result of the interest credited to your account.

How are the funds transferred from my 1% Supplemental/ Voluntary account to purchase additional service?

The transfer of funds is simply an internal accounting procedure. Generally, after tax contributions in your 1% Supplemental account will first be applied to the cost. If your after-tax contributions are not sufficient to complete the purchase, the interest portion of your 1% Supplemental Account will be used to complete the purchase. If your 1% Supplemental Account does not have an adequate balance to complete the purchase, the same procedure will be applied to your Voluntary Account balance.

When will I receive my first monthly benefit payment?

If you retired July 1st, you will normally receive your first benefit payment on the last business day of August. This payment will include benefits for the month of July and August. Thereafter, you will receive your benefit payment on the last business day of the month. For non-July retirees, benefit payments are usually issued on the last business day of the month in which you retired (January 1st - payment issued January 31st) assuming your additional service credit purchase is complete.

How will I receive my payments?

All members who retire on or after January 1, 2001 must have their benefit payments deposited electronically to their checking or savings account. With your initial payment, you will receive a written letter detailing your benefit and any deductions. Thereafter, you will receive a letter any time there is a change in your monthly benefit.

How do I notify CTRB of a change of my address?

All address changes must be made in writing and received by CTRB prior to the first day of the month in order for the change to be made for the end of that month. CTRB will accept faxed requests. However, due to security reasons, e-mail requests are not accepted.

How do I change my federal/state tax withholding deductions?

All changes should be submitted on a Federal And CT Tax Withholding Change Form and must be received by CTRB prior to the first day of the month in order for the change to be made for the end of that month. CTRB will accept faxed requests.

When will I receive my first cost of living adjustment?

If your effective retirement date is May 1st through October 1st, and you have been retired for at least nine months, your cost of living date will be July 1st. If your effective retirement date is November 1st through April 1st, and you have been retired for at least nine months, your cost of living date will be January 1st.

Do I receive a cost of living adjustment on the extra monthly annuity I am receiving from my 1% Supplemental/ Voluntary Account?

No. Extra annuity payments are not eligible for cost of living increases.

Are my benefits taxable and when will I receive my tax statements?

If you retired on or after March 1, 2002, CTRB will calculate the amount of your monthly benefit that is taxable. The non-taxable portion of your benefit is calculated based on the amount of your after-tax contributions and your age at retirement. You will receive IRS Form 1099R at the end of January of each year indicating the gross amount paid, taxable amount and federal and state taxes withheld. If you received a refund or rollover of your 1% Supplemental/Voluntary contributions, you will also receive an IRS Form 1099R.

I am planning to move out of state. Since I will no longer be a resident of Connecticut, will I be liable for Connecticut State Income Taxes?

No. As a non-resident, you will no longer be liable for Connecticut State Income Taxes for your CTRB pension income.

Will you automatically stop deducting the state withholding tax if I move out-of-state?

No. CTRB has no way of knowing whether your change of address is as a permanent non-resident of Connecticut. You must notify CTRB in writing or file a Federal And CT Tax Withholding Change Form to cancel your Connecticut Withholding Taxes. If you are eligible for a refund, you must file a tax return(s) with the Connecticut Department of Revenue Services.

Will I receive a notice of my actual retirement benefit once it has been calculated?

At the time your benefits commence, CTRB will send you an Award Document that will provide you with the details of how your benefit was calculated, a description of your payment plan, and the portion of your benefit that is non-taxable. In addition, you will receive a written letter detailing your benefit and any deductions that are taken from your benefit. Thereafter, you will receive a letter any time there is a change in your monthly benefit.

Where may I obtain additional retirement planning information?

CTRB Bulletins covering a wide variety of topics are available from our office or website. The following bulletins are of particular interest to members filing for retirement or those who are newly retired:

- 1% and/or Voluntary Account
- Cost of Living Adjustments
- Health Insurance Frequently Asked Questions
- Post Retirement Employment
- Taxability of Benefits